

The

CREDIT UNION BRIDGE

THE WAY TO ECONOMIC BETTERMENT



Albert Stillo and Joe Cassta discuss joining the Park Employees Credit Union, Chicago, Illinois, with John Smarz.

EXCHANGE

UNIVERSITY MICROFILMS
313 N FIRST ST
ANN ARBOR MICHIGAN

Official Publication

August, 1955

Credit Union National Association



ORGANIZATION and EDUCATION

HONOR ROLLS

"The People's Welfare can best be secured by institutions organized by the people themselves."
—BENJAMIN FRANKLIN

1954 VOLUNTEER ORGANIZER'S CONTEST



<p>1st PRIZE \$100.00 2nd PRIZE \$50.00 3rd PRIZE \$25.00 4th PRIZE \$10.00 5th PRIZE \$5.00 6th PRIZE \$2.50 7th PRIZE \$1.00 8th PRIZE \$0.50</p>	<p>1st PRIZE \$100.00 2nd PRIZE \$50.00 3rd PRIZE \$25.00 4th PRIZE \$10.00 5th PRIZE \$5.00 6th PRIZE \$2.50 7th PRIZE \$1.00 8th PRIZE \$0.50</p>	<p>1st PRIZE \$100.00 2nd PRIZE \$50.00 3rd PRIZE \$25.00 4th PRIZE \$10.00 5th PRIZE \$5.00 6th PRIZE \$2.50 7th PRIZE \$1.00 8th PRIZE \$0.50</p>	<p>1st PRIZE \$100.00 2nd PRIZE \$50.00 3rd PRIZE \$25.00 4th PRIZE \$10.00 5th PRIZE \$5.00 6th PRIZE \$2.50 7th PRIZE \$1.00 8th PRIZE \$0.50</p>
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Volunteer Organizers Say

L. P. Davis, Dallas, Texas:—"Many years ago in fact in the first job I ever had, in an insurance company, we had a loan association for the employees. It operated a great deal like a credit union only the shareholders voted according to the amount of shares they owned and of course the executives and higher paid personnel, practically ruled the association. I borrowed money from it to take my best girl dancing etc., but as I was only a file clerk, never knew much about its operation. When I found out about credit unions where the control of the corporation is really vested with its members, on a democratic basis, I thought this was the ideal way these should be run."

Henrietta Vos, Muskegon:—"I have no difficulty in finding prospects. It seems when I organize one credit union someone from that group tells other potential groups. Then they call me for a little more information and a meeting is arranged just to better familiarize them with credit unions."

R. J. Moore, Montreal:—"Hearing an old Franciscan Priest, who has since passed on to his eternal reward, his name was Father Ethelbert, speak on the benefits to be gained from the operation of a credit union and being an officer of a Local Union affiliated with the American Federation of Labor, I was convinced that this was the movement for the working man to push, for his own and the country's economic well-being."

Michael T. Liucci, Thompsonville:—"As treasurer of a credit union, it has been my ambition to do all possible for the credit union movement. Credit union work to me has been very fascinating and I would say that it has a way of getting into a person's blood stream. It is my opinion that the movement has been instrumental in combating usury, making persons thrift conscious, enabling them to establish good credit, making them financially independent, better employees, and better citizens."

OUR GOAL

OUR AIM is to pass on ideas that will help you establish better credit union operations, better understand the financial problems of the members; and how we are making achievements thru cooperation as members, chapters, leagues and a National organization.

When you read *The Credit Union Bridge*, why not underline items of interest and make notes of possible use in the margins (ball point pens work fine). If you save your copies, it will be surprising how many ideas can be made available to improve the service of your credit union, to promote beneficial saving or use of loans, to increase membership, to create publicity items, or to help solve numerous problems.

YOU are an important part of the credit union movement. You are going to face old and new problems. We hope you will pass on to us your questions, your problems, your experiences and your suggestions and copies of your educational material.

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The Credit Union Bridge

Twenty-four CUNA policies are currently in effect to guide leagues, credit unions, and the national staff. These policies were established by the National Board (composed of league delegates to CUNA). During emergencies special policies have been established as a guide. When the emergency subsided the policies have been rescinded.

National policies are based on longer, broader, more diversified, and more specialized experience. Their wisdom is constantly being tested by the comparative success with those who choose to deviate.

The question "Why did the National board set this policy," is common. In a series of articles we hope to express some of the reasons for the policies and show how they will contribute to greater success and benefit of credit unions.

Policy number one is entitled "OBJECTIVES." It reads:

1. OBJECTIVES

(a) To advance, encourage and foster the principles and practices of cooperative pooling and use of the credit and financial resources of average salaried and income groups.

(b) To exemplify the ideals—of the equality of man—freedom of opportunity—and unselfish cooperation—by their practical application in the control and use of credit and financial resources.

(c) To encourage thrift, regulated savings, and prudent economic management of credit and financial resources. That credit union members be urged to save at least 10% of their earnings regularly and to invest, preferably, their savings in credit union shares and deposits.

(d) To afford all persons an opportunity to have a direct voice in the control of all public financial and economic affairs.

(e) To coordinate and unite all credit union groups—encouraging organization activities—frequent group assemblies—interchange of thought—and in all manner necessary advancing their ideas and ideals.

(f) To provide loan facilities at the lowest possible rates and to combat the imposition of excessive and usurious rates of interest by example and by providing credit union facilities for those in need.

Policies of CUNA

(g) To encourage and promote the establishment and maintenance of effective governmental supervision of credit union operations.

(h) To require governmental supervising agencies to permit collaboration by CUNA in strengthening credit union operation and preventing credit union dissolutions.

What is the background of these objectives? When Filene formed a partnership with Roy F. Bergengren in 1921 to form the Credit Union National Extension Bureau, he wrote out three objectives: 1) to get laws passed for credit unions; 2) to get credit unions organized; 3) to get credit unions organized into leagues and a national association.

The next great document to outline the objectives of the Credit Union National Association was the Constitution and By-laws, which was prepared by credit union leaders at Estes Park in 1934. In brief

they provide: to maintain high standards; to publicize; to promote the organization of credit unions; to encourage and assist chapters and leagues; and to adopt rules and regulations for the conduct of affairs within the spirit of the corporation.

The third great document of credit union objectives is contained in the Policies of CUNA under the title "Objectives" (printed above).

The CUNA Policies were not all passed by unanimous vote. Some have been the subject of much debate. Most of them have withstood constant questioning for more than a decade. Some of these policies were established to re-emphasize previous statements, and others were new policies.

What is behind these eight policy statements under "Objectives"? Here is the Editor's view of a few of them. (He was a member of the policy committee in 1943).

There has been a steady flow of local credit union leaders who wake



Awarded Plaque for Credit Union Day Publicity

London & District Credit Union Chapter Winner of 1954 Contest

Winner of the 1954 Credit Union Day publicity contest for best chapter publicity in the United States and Canada was the London & District Credit Union Chapter.

At a ceremony held on June 14, during a Chapter meeting at St. David's Parish Hall, London, Ontario, Fred Reynolds, Chapter President, was presented with an engraved plaque by Marion Gregory, CUNA Director of Public Relations.

Admiring the plaque after conclusion of the official presentation are the following credit union leaders:

R. Dickson (Director, Ontario Credit Union League); Fred Reynolds (President of London & District Credit Union Chapter); C. Gordon Smith (CUNA Canadian Manager); Marion Gregory (CUNA Director of Public Relations); and Alfred Holme (Director, Ontario Credit Union League).

up to the fact that some credit unions are not doing a good job. These leaders then come to their league board and league annual meetings with the contention that it is more important to help present credit unions than to organize new credit unions, and that the league and CUNA should shift the emphasis of their program. In some cases the league employees have been told that they should forget about organizing any new credit unions and devote their time to servicing the present ones. Such viewpoints have been fortified by both friends and enemies. Such questions were referred to the CUNA Policies Committee and the National Board. What caused the National Board to vote "(a) To advance, encourage and foster credit unions."

In the beginning Filene wanted laws and credit unions. He was paying the bill. He was a hard "boss" and he wanted lots of results for the money he spent. Filene did not have to argue with Bergengren about the need for laws and credit unions. Bergengren knew the Bible and the Parable of the Sower. He did not spend all his time working with the seed that fell in the street or on poor soil; if he had stopped to help these credit unions—we would not likely have many laws or leagues yet. When Bergengren hired Doig, it was to organize credit unions, and Doig organized over 1,000 of them in a few years.

Out of some of these credit unions emerged community leadership almost from the beginning, that helped weak credit unions, organized new credit unions and promoted chapter activity. In other communities such leadership did not show up until a sizeable number of credit unions had been formed. As leagues were able to hire full-time personnel, the work of getting more credit unions in various areas was speeded up. Educational features were added to league meetings. Today it is evident that more capable leadership has emerged in a great many areas within many leagues.

What is the difference in the pattern of development between the areas that have dropped emphasis of organization work compared to the areas that keep up a great emphasis upon it? The leagues that have put heavy emphasis on organization work have emerged with the strongest educational programs; the greatest proportion of volunteer workers; expanded league programs; the greatest attendance at

chapter, league, and institute meetings. The credit union people in the aggressive areas are more proud of their credit union and their league.

In turn, the areas where organization work has been weak, have the weakest educational programs; they have shackles on league dues; and are weak on volunteers.

The strong leagues have been able to see the great good that just ordinary people will accomplish for their fellowman if given the credit union idea. In addition, they have asked CUNA to help them do much more thru league service and education.

Beginning with Filene the statements of objectives began with emphasis on organizing more and more credit unions. There is no minimizing the power of a program on this one point alone. Filene, Bergengren, and Doig had this perspective.

When the new crop of credit union leaders met at Estes Park in 1934 to form the Credit Union National Association, the objectives were expanded. The objectives in addition emphasized education in subsection (c). "To encourage thrift, regulated savings, and prudent economic management of credit and financial resources. That credit union members be urged to save at least 10% of their earnings regularly and to invest, preferably, their savings in credit union shares and deposits." We have set up a facility for service, but how much have we done to promote thrift? How many credit union directors and committeemen know within their own community the availability of credit for various needs, the costs, the hazards people experience with them? How many have passed on such facts to their members? How much have we shared with our members the ways in which credit can increase the potential of the family for success

and better living? How many members today have even learned to save money in advance for Christmas, for annual life and auto insurance premiums, for vacations, for doctor and hospital bills which is above and beyond the coverage of health insurance? The National Board has set up an objective for education that is stirring the thoughts of more and more leaders, but which is relatively undeveloped. If we have relatively uninformed members, we are not keeping our members away from costly credit. Without education credit unions will likely divert funds available for personal loans into government bonds, building and loan societies, and real estate loans—while the purposes for which we have tried to expand this movement go begging.

The National Board stated its position regarding the equality of man, when the issue was a marked problem in our credit unions and leagues. The National Board has taken the lead even though it is made up of one of the most cosmopolitan groups anywhere. There has been a revolutionary change in the recognition of this principle in many leagues during the past 15 years. Certainly the quality of leadership developed among all races and religions; the increased respect and loyalty between people; the improved decency of living—has supported this leadership of the National Board. Books could be written on the history, progress, and achievements of the National Board Objectives.

The basis on which these policies are established, the results that flow from them—behooves credit union leaders to question and explore thoroughly any deviations. Also these objections provide a sound course of action for successful leaders. — E. K. Watkins.

Professor W. D. Knight Lectures to First Year Class of
School for Credit Union Personnel
at the
University of Wisconsin



THE CREDIT UNION BRIDGE NEWSLETTER

U. S. Trends in Brief: National production of goods and services set a record pace of \$383 billion annually during the second quarter of the year, the President's Council of Economic Advisors reports. Production workers' pay checks were fatter in mid June by \$4.61 than a year ago; they averaged \$76.11 weekly, for a 40.7 hour work week. Unemployment in June was only 200,000 above the May level, one of the smallest increases for the period in the post-war era. The steel industry continues to recover from the effects of the brief July 1 strike which reduced production to 71.1% of capacity. Borrowing costs of business firms moved up for the fifth time this year; New York City dealers boosted their rates on commercial paper by 1/8 percentage point. Electric power output was carried to a new high in July by rising industrial activity and the heat wave.

Canadian Trends in Brief: An upsurge in construction, automotive and forestry industry caused a 29,000 increase in employment, which brought unemployment to 157,000 the lowest since November 1953. The average weekly wage in manufacturing is \$63.82 compared with \$61.30 a year ago. Mortgage loans made by 12 life insurance companies are about 1/3 higher than made for the same period last year. New housing units to June 1 total 36,976 units, up 9% over last year. Department store sales were 8% higher in June than for the same month last year; all provinces showed increases.

New Secretary of Health, Education and Welfare is Marion B. Folsom under whose authority the Bureau of Federal Credit Unions operates. Formerly Under Secretary of the Treasury and Treasurer of Eastman Kodak Company, the 61-year-old native Georgian several years ago carried out the first revision of the Federal Tax Code in more than three decades. Under George Eastman this slight (147 lbs.), graying man, who would prefer to be in a much less conspicuous position, devised and carried out a private social security program in 1928 and organized a Rochester unemployment benefit plan in the depression year of 1931 that brought businessmen from across the country with hopes to apply it to their own communities. With a touch of pride Mr. Folsom noted that the 1931 Rochester plan was similar to the guaranteed wage layoff agreements signed by the Ford Motor Company and General Motors Corporation with the United Auto Workers recently.

Federal Credit Union Statistics 1954:—

	1954	1953	Amount of Gain	% Gain
Number in Operation	7,227	6,578	649	10%
Number Chartered (3rd highest)	852	825	27	
Membership	3,598,790	3,255,422	343,368	11%
Assets	1,033,179,042	854,232,007	178,947,035	21%
Shares	931,407,456	767,571,092	163,836,364	21%
Loans Outstanding	681,970,336	573,973,929	107,996,407	19%

Idaho League reports 21 inquiries from one TV broadcast of "King's X" film.

Federal Examination Fees increased to provide pay raises for FCU Bureau employees in line with congressional action. Effective August 1, federal credit union examination fees will be as follows: Those with assets of less than \$25,000 shall pay 50 cents for each full \$100 of assets (minimum fee, \$25). Those with assets of \$25,000 or more shall pay \$44.80 per examination day, plus 3 cents per \$100 of assets up to \$1 million, plus 1 cent per \$100 over \$1 million (minimum, \$125). No fee will be charged a newly organized federal credit union for the first examination made within a year of its organization. CUNA study of rates indicates slightly lower costs to small credit unions, and slightly higher costs to larger credit unions.

Thirty-four new examiners for the Bureau of Federal Credit Unions are participating in a basic training course from July 18-30 in Washington, D.C.

To date 630 inquiries have been received in response to "The Blockhouse" ad that appeared in the June issue of READERS DIGEST. Two credit unions have already been organized as a result of the June ad in Readers Digest and the May 27 ad in U. S. NEWS AND WORLD REPORT.

Union Endorses Credit Unions:—The Office Employees International Union (AFL) in its biennial convention here June 12-17, unanimously passed a resolution favoring credit unions: "Resolved that the OEIU in convention assembled go on record as supporting the credit union movement, its aims and objectives."

Good Credit Union Coverage in Canadian Press:—Canadian Schenley Employees Credit Union at Valleyfield, Quebec, was featured in "Credit Unions Boost Employee Morale", an article in the May issue of PLANT ADMINISTRATION. Six "Advantages of a Credit Union" were pointed out in the February issue of OFFICE EQUIPMENT NEWS. The Alverna Credit Union of Montreal was featured in an article in the February issue of THE FRANCISCAN REVIEW.

Delegates at the Prince Edward Island Credit Union League convention voted unanimously to increase the dues paid to the league from 50 cents to 75 cents per member per year.

North Dakota Credit Union League has made a standing offer to assist in CUNA's training program for those preparing to do credit union work overseas. North Dakota's rural credit union experience and practice will be particularly helpful to many of these people.

Legislative Activity: This has been a heavy year in legislative activity for the credit union movement. Changes in state and provincial laws and/or bylaws have been reported to the National office from: Arkansas, Alberta, California, Illinois, Maryland, Massachusetts, Michigan, Nebraska, New Hampshire, New Jersey, New York, North Carolina, Ontario, Rhode Island, and West Virginia.

Colorado Bankers Act Against TV Stations:—Four Colorado TV stations refused to show the NTEA film, "Citizen Dave Douglas", on the grounds that "it was a propaganda attack under guise of entertainment and closely bordered on bad taste in the extremes to which it went in attacking cooperatives and other groups." The Colorado Bankers Association complained to the Federal Communications Commission, asking them to revoke the license of the four stations for "failure to operate in the public interest."

Reaction on the Taxation Front:—Recent reports from three areas highlight public relations jobs still to be done. Arkansas Banking Association annual meeting passed resolution critical of credit union tax status. Speakers at the Virginia Bankers Association meeting made critical remarks on the same subject.

Usury in Puerto Rico:—A man whose income is \$30 a week borrowed \$100 some time ago at an interest rate of 10% per week. He is paying \$10 a week out of his paycheck and the principal is still \$100. He wrote for credit union help to the Henry Street Settlement Credit Union, after reading the article in READERS DIGEST. They forwarded his letter to CUNA.

Busy Time For World Extension Dept.:—Recent inquiries about credit unions receiving the attention of the World Extension Department came from England, Holland, Liberia, Nigeria, South Africa, the Philippines, Indonesia, Gilbert Islands, Nicaragua, Guatemala, Rep. of Panama, Peru, Jamaica, Switzerland, Belgium, Cuba. Some of these inquiries are the result of our magazine advertising program.

How One Credit Union Celebrated International Credit Union Day

ONE CREDIT UNION that really made its members aware of Credit Union Day last year was The Heights St. Joseph Federal Credit Union at Easton, Pennsylvania.

They not only got individual members pepped up about Credit Union Day, but tied in with the chapter effort, and in addition did a job in the community of getting credit unions recognized.

A "Miss Credit Union" contest was held in the credit union, with each credit union member entitled to one vote for the queen.

All single, female members of the credit union from 13 to 19 years of age were eligible. Contestants were listed on ballots sent to each member.

Every member of the credit union received a letter titled, "Help Celebrate Credit Union Day", inviting him to

1. Attend the local Credit Union Day party and dance;
2. Wear the enclosed "I'm a Credit Union Member" button;
3. See King's X on a local TV station;
4. Hear a local credit union radio show;
5. Read Credit Union Day feature in local papers;
6. Vote for "Miss Credit Union," who would be crowned at the party.

A follow-up letter was sent giving more details, with ballot to

vote for finalists in the "Miss Credit Union" contest.

"Miss Credit Union of Bethlehem Township — Freemansburg" was selected at the Credit Union Day Party-Dance in the Sacred Heart Auditorium. Admission to the party was free; refreshments were on sale. Free admission made it possible for all members to attend who wanted to come.

But the Heights St. Joseph Federal Credit Union didn't stop there. The winner of the "Miss Credit Union" contest was featured on a credit union float in a community parade the following week, with her attendants.

Not all the honors went to the girls, however: one young chap was selected to appear on the float as "The Umbrella Man", personifying the credit union trade mark. The same little boy was the proud crown bearer for the ceremony at which "Miss Credit Union" was made queen.

Here's a good example of how one credit union can capitalize on the opportunity of International Credit Union Day. Heights St. Joseph not only put on a colorful Credit Union Day show, but cooperated with other local credit unions in getting its members to take part in the chapter observance of Credit Union Day, and in publicizing the local radio, newspaper and TV features for Credit Union Day.



Crowning Miss Credit Union

Queen of the Heights St. Joseph Federal Credit Union's celebration for last year's Credit Union Day celebration was Miss June Fitzko, shown as the crown was placed by President Oscar Ashman. Attendants are (l. to r.) Georgine Minchak, Patricia Bolash, JoAnne Mailing and Maryann Toplovitz. Crown Bearer is Michael Molva.



OF CREDIT UNION DAY PUBLICITY

A—advertisements, awards.

B—bazaar, box social, buttons.

C—church services, coffee hour.

D—dances, dinners, displays.

E—essay contest, exhibits.

F—feature stories.

G—governor's proclamation.

H—handbills.

I—information booth.

J—jingles.

K—King's X.

L—letters, luncheons.

M—Miss Credit Union contests.

N—newspaper stories.

O—open house.

P—parades, parties, posters.

Q—quizzes.

R—radio program.

S—speakers, square dance, school program.

T—TV program.

U—union publications.

V—volunteer organizers awards.

W—women's programs.

X—(see King's X!)

Y—you can do it if you try!

Z—zebras attract attention — so will good credit union day publicity!

Military Personnel Get Invitations to Borrow Money

Lending Money to Military Personnel Is
A Prominent Business Activity as
Evidenced at Rapid City, South Dakota



NATIONAL FINANCE

LOANS

to MILITARY PERSONNEL

SHORT THIS MONTH?
YOU MAY..

RENEW

YOUR LOAN..

'TIL NEXT PAYDAY for

\$3.00

MILITARY PERSONNEL

Found Using Costly Credit

By E. K. Watkins

DURING A VISIT a few weeks ago, John Herschleb (CUNA Field Representative) was telling about some loans to military personnel at Rapid City, South Dakota, that sounded expensive.

Since the league meeting was scheduled at Rapid City, it provided an opportunity for Herschleb to show me around.

Across from the hotel was a doorway leading up to the U.S.O. and other offices on the second floor. If you will note the picture of the door, the office of National Finance is there with a special invitation for military personnel.

On inquiry they did not seem to have much trouble collecting from military personnel. The personnel indicated they could trace the new addresses through the camp, and even though a man might be in Asia, he would usually pay after his Commanding Officer had called him in a couple of times.

As for rates, they had a special on the \$5 payday loans for only \$1.50. They charged \$3 on payday loans of \$10, \$15 and \$20. A fellow that borrowed more than \$20 had to be pretty good. This office had a loan card file about a foot thick, and I was told each represented a loan.

On the wall was a big sign. Note the picture "Short this month? You can renew this loan 'til next payday for \$3".

We visited one of the recreational leaders. He said he was visiting the court recently when a loan case was settled for a cost of \$2 each for a soldier with two \$15 loans. He said however the used car financing caused a more serious problem to a

Military Personnel Organize Successful Credit Union

The Ellsworth Air Force Base Federal Credit Union was granted a charter on April 29, 1955. It began operations five weeks later. On July 13, 1955, after less than 1½ months of activity, it already had 127 members and \$10,000 in shares. Loans amounted to \$6,500. "There seems to be a tremendous need for credit union services among the military personnel at this base," said 1st Lt. Claus Uggla. "The demand for loans is simply terrific. We have a substantial backlog of applications still to be processed. The members are rushing us and show a deep interest in our efforts to make low-cost loans available."

lesser number of the men. He mentioned further that some miles out of the town, near the gate of the camp, was a pawn shop, and that some taverns did some pawnshop business.

One banker mentioned that a Sergeant who was headed overseas applied for a loan of \$2500. The purpose of the loan was to consolidate numerous debts because he did not want to leave his wife and four children with scattered creditors. His security amounted to about \$800 on his car. They could not make the loan on the security offered.

At one of the better Finance Company offices, the man in charge said they were disturbed at the cost

NATIONAL
FINANCE
LOANS to MILITARY PERSONNEL

KELLY JOHNSTON
GENERAL
INSURANCE

U.S.O.
OPERATED BY
YMCA
Hours 9am to 11pm.

PAWN
SHOP
Open For
BUSINESS

many were paying for small loans. In fact he indicated he had sent papers to his home office in which a soldier had made three loans the same day from the same company for \$15 each at a cost of \$3 per loan until payday. This operator indicated that 75% of their business was with military personnel, and that losses had been very small. A number of the lenders are not oper-

ating under the supervised lending act.

Camp officers seemed quite aware of the situation. They were quite interested in the credit union idea, and in fact were cooperating with the men applying for a credit union charter to operate on the post. The officers seemed to consider high rate lending around the camp as a customary thing.

cents per \$100 would amount to 20c x 400 or \$80. As payments were made on the \$40,000 in outstanding loans this money would be used to grant additional loans. This fact would result in an additional potential loss of \$48.92.** Therefore, the credit union would possibly lose \$80 plus \$48.92 or \$128.92 per year because it kept the \$40,000 loaned to its members. However, the credit union being analyzed is already suffering a gross loss of \$1,200 per year by not having the \$40,000 loaned to its members.

The gross loss from lack of loans of \$1,200 minus the possible loss from amounts not repaid of \$128.92 means the credit union is suffering a net loss each year of \$1,071.08.*** However, a far worse circumstance is that a great many members are being deprived of a much-needed low-cost credit service.

Credit Union Lending Policies

By Fred A. Stahl

Director of Education, Pennsylvania Credit Union League

A CREDIT UNION's lending policies should be absolutely as liberal as is in keeping with sound operations. Soundness of operation is measured in terms of success and security. A liberal policy is conducive to sound operations. A conservative policy can be a threat to sound operations. Unfortunately some directors and credit committee members do not realize these facts.

Conservative lending policies and practices are based on the belief that liberalness would cause the credit union to incur unduly large losses. However, an analysis of credit union operating experiences conclusively demonstrates that many credit unions are losing over eight times as much money from lack of loans as they are losing from delinquent accounts:

Losses From Lack of Loans

To illustrate the point let us analyze an actual credit union with \$40,000 invested at 3% per year. This credit union's operating expenses are 50% of interest income from loans to members. During seventeen years of operations losses from amounts not repaid have been less than twenty cents per hundred dollars loaned to members. The average repayment period for a loan has been one year or longer. Now let us establish the facts:

1. \$40,000 invested at 3% per year will yield \$1,200.
2. For every dollar of interest income from loans to members this credit union receives, fifty cents will be spent for operating expenses.
3. For each \$100 loaned to members to be repaid over a year or longer twenty cents will be lost from amounts not repaid.
4. One percent per month on the unpaid balance costs the borrowing

members only \$6.50 per hundred dollars per year. However, by re-lending the money to other members as fast as present borrowers repay their loans the credit union will receive \$12 per year per hundred dollars outstanding in loans.

Now let us discover what would happen if the credit union had the \$40,000 out in loans to members rather than invested at 3% per year:

- a. The additional gross interest income from loans would be \$12 per \$100 for a total of \$4,800.
- b. The credit union's operating expenses based on fifty cents per dollar of interest income from loans would increase by \$2,400.* Therefore, the net interest income would be \$2,400.
- c. The credit union would no longer receive the \$1,200 from having the \$40,000 invested at 3% per year. Subtracting this \$1,200 from the \$2,400 of net interest income would leave a gross loss from lack of loans of \$1,200.
- d. The \$40,000 loaned to members would mean an additional 400 loans of \$100 each. (Of course, the amounts actually loaned would vary). Absorbing a loss of twenty

Footnotes

*As the volume of business increased the operating expenses would tend to become less than fifty cents per dollar of income from interest on loans. This fact would make the loss from lack of loans somewhat greater than is being illustrated.

**The income of \$12 per \$100 per year is based on relending the money received from loan payments. Therefore, the \$40,000 would be used to grant more than 400 one-hundred-dollar loans each year. The \$48.92 provides for the additional possible losses that would be involved.

***Of course, it is possible to claim that more liberal lending policies would cause losses from amounts not repaid to become greater than twenty cents per one hundred dollars loaned. However, the loss ratio between losses from amounts not repaid and losses from lack of loans is now eight to one. Certainly any fair-minded person would favor liberalizing lending policies to the extent necessary to reduce this loss ratio.

Thursday
October 20
is
International
CREDIT UNION
DAY



Wise Men Say

- It is not always possible to change the problems one faces; but it is possible to create a changed attitude toward them.—Vogt News.

Great and Good

"America is great because she is good, and if America ever ceases to be good, America will cease to be great."

—Dwight D. Eisenhower.

What About It?

**Write us about your credit union problem or
your version of the problems and answers that follow**

Unimpaired Capital and Surplus

It has been noted that in the Federal Credit Union Bills H. R. 5258 and S 1641, which would permit, if passed, federal credit unions to purchase shares of other credit unions in the total amount not exceeding 10 per centum of its paid-in unimpaired capital and surplus. What does "unimpaired capital and surplus" mean?

ANSWER:

Unimpaired capital and surplus includes the following accounts:

- Shares (310)
- Undivided Earnings (312)
- Gain or Loss (313)

The definition as set down in Article XVIII, sections (b) and (c) of the Federal Credit Union Bylaws is as follows:—

(b) "Paid-in and unimpaired capital," as of a given date, shall mean the balance of the paid-in shares account as of such date, less any losses that may have been incurred for which there is no reserve or which have not been charged against undivided profits or surplus.

(c) "Surplus," as of a given date, shall mean the credit balance of the undivided profits account on such date, after all losses have been provided for and net earnings or net losses have been added thereto or deducted therefrom, as the case may be. Reserves shall not be considered as a part of the surplus.

Board Meetings

Our credit union board of directors has been meeting during our lunch hour. Is this advisable?

ANSWER

One of the common bad practices found in credit unions is the limiting of time of board of directors meetings to 15, 20, or 25 minutes, or crowding them into lunch hours. Regular board meetings should never be held at a time when a deadline must be set for adjournment. Sufficient time should be allowed to transact all business with plenty of time to discuss: Committee reports (including educational and promotional activity), communications received, delinquent loan report, un-

finished business from previous meetings, and new business. This of course does not apply to special meetings of the board for emergency action.

Coverage Continues

If I should change jobs or withdraw my credit union membership, would a CUNA Mutual individual life policy still remain in effect?

ANSWER:

Credit union membership in an affiliated credit union is the primary requirement to be eligible to apply for a CUNA Mutual individual life policy. After the policy is issued, future employment or credit union membership does not affect the conditions of the policy. The policy can only be cancelled at the request of the policyowner.

To reapply for an individual life policy or to increase the amount of insurance with CUNA Mutual, the primary requirement of credit union membership is necessary.

Housewife Covered

May wives who are members (either employed or unemployed) be covered by loan protection and life savings insurance?

ANSWER:

If wives of your members are permitted to become members in their own right, their lives may be insured under our loan protection and life savings contracts, provided they can meet the simple insurability requirements of either contract. In the case of housewives they are insured providing they are performing all the duties of the average housewife.

The Umbrella Man

How may we obtain cuts of the Little Man Under the Umbrella?

ANSWER

CUNA Supply Cooperative sells cuts (electrotypes) of the Little Man Under the Umbrella facing either right or left. For a one-time use you may order a cut and then return it for full credit. Mats (for newspapers) are also available at 15c each, less the discount in the United States. The prices of the cuts are net without discount: 3 inch @ \$2.75; 2 inch @ \$2.10;

1½ inch @ \$1.80; 1 inch @ \$1.60; ¾ inch @ \$1.60; and ½ inch @ \$1.60.

These cuts are effectively used on checks, bulletins, letterheads, and envelopes. CUNA Supply Cooperative can produce letterheads and envelopes for credit unions and will be pleased to furnish samples and quotations upon request.

Immediate Coverage

How long must money be on deposit in the share or deposit account before it is covered by life savings insurance?

ANSWER:

The savings of an insurable member (Performing the usual duties of his livelihood, and under the age of 70 years) are covered immediately upon deposit in the credit union.

Filling a Vacancy

What procedure would be necessary to replace the treasurer in case the first one leaves or should happen to die suddenly?

ANSWER:

The vacancy on the board of directors should be filled by the vote of the majority of the remaining directors; but the member so elected will hold office only until the next annual meeting of the membership.

Looking Ahead

What consideration is CUNA Mutual Insurance Society giving to increasing the individual limit for Life Savings Insurance, and extending the age limits for disability and death benefits under the Loan Protection Contract?

ANSWER:

At the educational meeting of CUNA Mutual Insurance Society held May 12, 1955 in St. Louis, Missouri, Moses C. Davis, Chairman of the Review of Contracts Committee, gave the following report:

"As chairman of the review of contracts committee of your Board of Directors, I am happy to report that management with the help of retained personnel is conducting a continuing study to the end that CUNA Mutual services may be broadened to better meet the insurable needs of the majority of credit union members.

Specific attention is being given to recurring questions which policyholders have brought to the attention of your Board of Directors over the past years, such as increasing the \$1,000 maximum under the life savings contract, and, also, increasing the age limits for

death and disability benefits under the loan protection contract.

We do not believe it in the best interests of credit union members to increase the individual maximum under the life savings contract for many of the same reasons that were reported to you in previous years. While our survey of the representative number of credit unions continent-wide made three years ago reveals that life savings insurance has been in part responsible for increasing the average savings per member, it also showed that less than 6% of the members had \$1000 or more in savings. That survey also revealed the fact that the vast majority of the 6% who did have more than \$1000 in savings were in the middle or advanced age brackets.

Upon recommendation of our consulting actuary, another survey of a representative group of credit unions continent-wide will be made in 1955 for the purpose of getting a current picture of our risk exposure under the life savings contract and to analyze whatever trend has developed over the past three years. This survey will take at least several months to complete and at that time we should be in a much better position to determine what changes, if any, are necessary to better meet the insurable needs of your members, both under the life savings and loan protection contracts.

After all, the sole purpose of life savings insurance is to provide an incentive for credit union members to save systematically. While it provides a small amount of insurance to supplement the individual member's family insurance program, it is not intended to encourage dumping of sizable amounts into the credit union nor to provide life insurance for members who otherwise would not qualify for life insurance protection.

The matter of insurable interest on the part of the credit union has long been a problem that concerned some state and provincial insurance departments as well as some state and federal credit union supervisory bodies. For example, it took us ten years, ten long years, from 1938 to 1948, to favorably resolve the insurable interest question with the Bureau of Federal Credit Unions. I am afraid we would be hard put to sustain our position of the credit union's insurable interest with the supervisory bodies for an individual

maximum amount in excess of \$1000. As a matter of fact, a number of credit union supervisory bodies and insurance departments are requesting that we incorporate the \$1000 maximum limit in our proposed permissive legislation.

Finally, your Board of Directors is constantly aware of its responsibility of assuring credit union members that, come what may, there will never be any doubt but what full benefits of the contract may be met. This is of vital importance since your insurance company has no one's experience but its own in this type of level and increasing permanent protection.

For the same reasons reported to you at your previous meeting, we do not think it would be in the best interests of the majority of credit union members to extend age limits for disability and death benefits under the loan protection contract.

The Board feels that extension of disability coverage beyond age 60 would benefit only a minority group of credit unions. Additional problems would be created by extending the age limit because large numbers of people normally

retire shortly after age 60. Extending this age limit would increase costs with no allowance for adverse selection.

The survey made in 1952 shows that only three-tenths of 1% of total members were persons with loans beyond age 70; therefore, it would appear there is not the insurability need for loans after age 70. Increasing the maximum age limit under the loan protection contract would be advantageous to credit unions not governed by conditions of employment more so than by any other credit union and there would be the possibility of adverse mortality experience in this type of credit union which would effect all other contract holders. Again, extending this age limit would increase costs with no allowance for adverse selection."

Thursday October 20

International

CREDIT UNION DAY

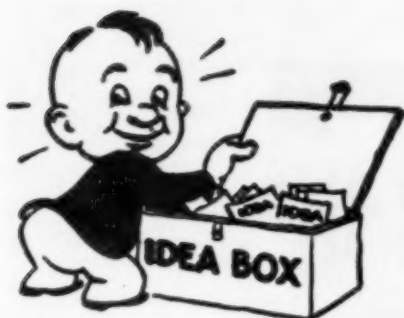


Churchmen Endorse Credit Unions

The London Conference of the United Church of Canada, meeting on June 11 at Sault Ste. Marie, passed a resolution endorsing church sponsored credit unions. The resolution is to be brought to the attention of the Evangelism and Social Service Board of the entire church.

Earle Reed, CUNA national director from Woodstock, Ontario, gave a brief talk on the credit union idea. Dr. J. R. Mutchmor, Toronto, representative of the General Council, reported that numerous inquiries concerning credit unions had been received from various parts of Canada. He invited the Canadian CUNA office to meet next fall with leaders of the United Church from across Canada.

In the picture are (from left to right): Earle Reed; Dr. J. R. Mutchmor; Rev. J. C. Eastcott, chairman, evangelism and social service committee; Rev. J. A. Walker, president, London Conference; and Don Smith, CUNA fieldman.



Idea Exchange

THE CREDIT UNION BRIDGE suggests:

1. that you mark and use the ideas which attract you.
2. that you adapt them to conversation, pay inserts, circulars, blotters, posters, and house organs.
3. that illustrations be reproduced by tracing, photo-offset, or photo engraving.
4. that each release contains full directions as to where and when credit union service is available.

Please send copies of all your publicity material to The Credit Union Bridge. Your participation in the Idea Exchange is helpful to other credit unions and sincerely appreciated.

Use Your Credit Union

EVERY NOW and then it's time to stop and remind our members—(and potential members)—of why our credit union was started back in 1942. It was intended to help YOU save your hard earned money—to make it unnecessary for YOU to pay sky high carrying charges and interest on installment purchases and loans.—It's YOUR credit union—Designed to serve YOU—why not USE IT. What brings this on?—Well, every now and then we find that one of our good members has bought something on time without even realizing that a good part of the "easy payments" will go for carrying charges.

Here's the latest example.—An old time member came to the office and told us about trading for a later model car just a few days before.—After the allowance on the old car our member owed just a little over \$1,000 on the newer model—So far OK—But then our member signed a contract for twenty four "easy monthly payments"—Well, to make a long story short, the "easy payments" provided for carrying charges \$246 more than the credit union would have charged. That same member has to work hard for almost three weeks to earn \$246.

Any legitimate merchant is interested primarily in selling—not in financing.—So remember, when you buy a pair of shoes, or a TV, or household appliances, or an automobile, or whatever it is; if you're dealing with a respectable firm—YOU CAN FINANCE WHEREVER YOU PLEASE—and YOU CAN BUY YOUR INSURANCE WHEREVER YOU PLEASE. If a salesman tells you, "You'll have to let us do the financing and write the insurance," he's not selling merchandise; he's selling insurance and credit. You'll probably pay plenty for both.

—Contributed by Mt. Carmel Parish Credit Union, Pueblo, Colorado.



Round up those strays and put 'em to work for you in your CREDIT UNION

The Postal Credit Union, Atlanta, Georgia

I am sure that there are many Postal Employees in Georgia outside of Atlanta, who have been wondering if there is a real need for them to ever belong to a credit union anywhere. Of course this question can in reality only be answered by each person individually so I will not attempt to tell any one that they should rush in and join the credit union just because they now have the opportunity to do so for the first time. I will only point out two cases in Atlanta where the credit union served a very useful purpose.

No. 1—One of our Carriers had bought a home quite a few years

ago under the G. I. Bill and found that he needed to make some substantial repairs. The repairs needed would cost a fairly substantial sum of money so he shopped around for a loan and wound up by getting the best set-up as to monthly payments, total amount of interest that would apply to the loan, etc., from the credit union. He immediately applied for membership and made the necessary arrangements for the loan which was granted in a very short time.

No. 2—Another Carrier who had been a member of the credit union for a long time had, through sickness and other misfortunes beyond his control, gotten into debt to a great many different firms and people. He was attempting to pay each creditor a small amount each month but found that this ran into such a sum of money each month that he did not have enough left to meet the everyday expenses of his family. He took his problems to the credit union and they arranged a loan over a long period that would pay all of his creditors off and that he could pay back in monthly installments that amounted to much less than he had been paying out each month. He now has much better peace of mind and his total indebtedness is being liquidated much more satisfactorily.

Of course there are many other situations that the credit union helps to solve, so no matter what your problem might be, ask them to tell you how they can help you.

Write to Postal Credit Union, Room 102-M Federal Annex.

—The Georgia Letter Carrier, Atlanta, Georgia.

Where To Borrow

We frequently bring to the attention of our members the advantages of borrowing from your credit union, instead of borrowing from a finance company. This is not done because we persistently want to "knock" the finance companies, rather it is an attempt to help the members who wish to borrow money.

Just a week or so ago, the following advertisement appeared in the KITCHENER RECORD.

"Borrow \$205.59. Repay in 15 monthly installments of only \$16 each."

WHAT YOU PAY BACK

15 payments of \$16 is \$240, meaning that your interest charge is \$34.41.

If you got exactly the same amount from the credit union and

paid it back in exactly the same manner, the interest charge would be \$15.78, a difference of \$18.63. All this adds up to the fact that you would pay the finance company, more than twice as much as the credit union. And also don't forget that in most cases there is insurance on your credit union loan at no extra cost.

When figures like these are presented, it puzzles us to know why any of our members would go to a finance company when your own organization is willing and anxious to serve you.

—St. Louis Parish (Waterloo) Credit Union Limited, Waterloo, Iowa.

Life Savings Insurance

(This letter was sent to members of Mt. Carmel Parish Credit Union, Pueblo, Colorado with an individual certificate to attach in the pass-book.)

Dear Friend and Member:

THE ENCLOSED CERTIFICATE OF INSURANCE is evidence that Mt. Carmel Parish Credit Union has insured your life to the extent of your savings. We ask you to attach this certificate to your credit union pass book or if you prefer, we shall be happy to attach the certificate for you (we have the equipment) the next time you come to the office.

For every dollar (up to \$1000) which you deposit (with some exceptions) to your Mt. Carmel Parish Credit Union savings account before you reach age 55, the credit union gives you a dollar of life insurance. The money deposited after age 55 receives insurance on a sliding scale (see certificate).

As an example: Let's suppose that before you are 55 years old you save in your credit union account \$682.86. Then let's suppose that before your 60th birthday you save another \$280 and then die at the age of 75. Your savings at that time would total \$962.86. Your family

would receive the \$962.86 you had saved plus \$682.86, plus \$210 (75% of \$280) or a total of \$1,855.72, plus the dividends which your savings earn each year.

Remember that you pay NO premium. The insurance is paid for by the credit union.

The amounts quoted seem large, perhaps? Well, \$2 saved each week

pile up more than \$100 each year, and \$5 saved each week pile up more than \$250 each year. Even fifty cents each week adds up to more than \$25 in a year and you earn dividends on your savings.

Look at your pass book now to see how much protection you have for YOUR family, then decide for yourself how much more you wish to deposit each week (or in a lump sum) and begin to build your savings account today.

Is Your Passbook HALF Alive?



It is if there are not just as many entries
ON THIS SIDE
(Savings) As there are (Loans)
ON THIS SIDE
Why not add a little to your savings account
each payday for
Future Security
A Good Dividend
Life Insurance at No Cost to You

"No One Can Borrow Until Someone Saves"

Where **SHELL Employees**

Who Have Money!

Who Need Money!

SAVE HERE WITH

Safety...

CASH Always

AVAILABLE...

DIVIDENDS PAID

Regularly...

NO FEES! NO ASSESSMENTS! NO SERVICE CHARGES! NO EXTRAS!

All transactions strictly private and confidential!

Come in or phone for full information!

SHELL WOOD RIVER

FEDERAL CREDIT UNION

217 E. FERGUSON AVE., WOOD RIVER, ILL. PHONE 4-5523

*Shell employees and their families eligible for membership.

- and Get Life Insurance AT NO EXTRA COST!

• Deposit your savings regularly with complete safety. Your Credit Union is protected by a million dollar bond and is legally incorporated and examined by Federal Authorities on much the same basis as banks. In addition, your savings are matched to \$1,000 with life insurance AT NO EXTRA COST. Wives and children may open separate accounts.

• When you need money in a hurry for any worthy purpose, your Credit Union will arrange a loan within minutes for uncollateralized amounts and on lower than usual interest rates. (Example: \$100.00 repaid in 12 monthly payments, including interest, only \$6.80 per month). In addition, every borrower is protected by Loan Protection Insurance AT NO EXTRA COST. In case of death or permanent disability, this insurance pays off balance of your loan.

• Liberal dividends have been paid annually on members' savings over a period of years by your Credit Union. Start a saving account today... establish a definite amount each pay day or each month... then watch your savings grow. Regular deposits plus dividends pay off in financial security.

If desired, a representative will call or your home to discuss financial problems. Credit Union benefits how to become a member or how to make a loan. See card in your file this booklet.

Boss: "And how long have you been working here?"
CLERK: "Ever since I heard you coming down the hall."

What CUNA Mutual AA Plan of Loan Protection Does

"DON'T WORRY about that loan — it's paid!"

Many widows have heard those comforting words, many disabled credit union members have heard them, thanks to Loan Protection Insurance.

Loan Protection Insurance pays the loans of credit union members who die or are disabled, subject only to restrictions on age and health, size and type of loan.

It is paid for by the credit union, with no extra cost to insured borrowers.

It eliminates many embarrassing collection problems and charged-off loans.

It builds loan volume.

It makes borrowing safer.

—from CUNA Mutual Booklet LP 11.

Borrowing Is A Business Matter

Now and then we come across people who feel that borrowing is highly degrading. For if they are forced to borrow some money they ask for it apologetically almost as if they were asking for a gift. There is no need to feel that way about borrowing from your credit union. The credit union was organized for the purpose of helping those in need of money. It makes a fair charge for the use of this money. You as a borrower are expected to repay the loan, just as a business man is expected to repay his bank loan. Therefore, the whole transaction is on a business basis and there is no occasion for thinking of it as a favor or as charity. Your credit union is your own organization. When you borrow money from the credit union you are simply applying to make use of funds which you yourself may have helped to build up for just such a purpose, or which you are willing to support if you can. We do not recommend "GOING INTO DEBT" unless there are good and sufficient reasons for doing so. People find it desirable at one time or another to make a loan. This means that their immediate need has outrun their income or savings. If this has happened to you, there need not be any reason to hesitate to apply to the credit union. The members are people like yourself, with much the same income to meet their individual problems in a normal business manner.

—CREDIT UNION TOPICS, South Works Employees Credit Union, Chicago, Illinois.

August, 1955

Thursday, October 20, is INTERNATIONAL CREDIT UNION DAY!

April 26, 1955

CHAMBER OF COMMERCE NEWS of Greater Philadelphia

CREDIT UNIONS 12 Answers Every Employer Should Know About Them

What is a Credit Union

A Credit Union is a group of people having a common bond of employment or association who band together to create for themselves a plan of systematic thrift and, secondly, to provide credit, easily obtainable, at reasonable rates of interest.

Who May Form a Credit Union

The employees of a corporation, usually one and management included, may form an employee credit union. Credit Unions are presently serving in addition to the employees of a corporation, the employees of insurance companies, banks, schools, and governmental agencies. Credit Unions are also serving the members of churches, fraternal organizations, and labor unions.

Credit Unions have been endorsed by Church Leaders

The National Catholic Welfare Conference and the National Council of Churches in Christ in America have approved the Credit Union idea.

Is a Credit Union a Legal Corporation

Forty-five States and the District of Columbia have laws governing the chartering and supervision of Credit Unions. In 1934 Congress passed the Federal Credit Union Act which created the Federal Credit Union system thereby permitting the organization of credit unions in all States.

The Bureau of Federal Credit Unions is one of the few bureaus of government which does not receive a subsidy from the taxpayers. This Bureau is wholly self-sustaining.

Are Credit Unions a New Idea

The first Credit Union law in the United States was passed by the Massachusetts legislature in 1891. The Act was sponsored by the then Bank Commissioner, Pierce Jay. Mr. Jay later became chairman of the Federal Reserve Bank of New York. The late Edward A. Filene, Boston department store magnate, and one of the founders of the United States Chamber of Commerce, also urged the legislature to enact this law. Mr. Filene is recognized today as the founder of the Credit Union movement in America.

How Many Credit Unions Are There

On December 31, 1954, there were 15,880 Credit Unions in the Western Hemisphere. These Credit Unions have some 5,200,000 members.

Do Credit Unions Encourage Thrift Among Employees

The average shareholdings per Credit Union member is approximately \$300, yet the average weekly savings per member is considerably less than \$1.

Credit Unions save, therefore, really be called the "superheroes of finance" in that they save nickels, dimes, and quarters into dollars for automatic deposit in the regular financial institutions.

How Are Credit Unions Managed

A Credit Union is managed by a Board of Directors elected by and from the membership of the Credit Union. A Credit Committee and a Supervisory Committee are also elected from the membership.

The Credit Committee acts on all applications for loans. The Supervisory Committee is the "watchdog" in that it supervises the general operation of the Credit Union.

In addition to this internal audit system, Credit Union records are examined periodically by the Bureau of Federal Credit Unions, if the Credit Union is operating under a federal charter. Credit Unions chartered under state law are examined by the Department of Banking.

Are Losses High on Loans

Credit Union loans are restricted to those persons within the field of membership of the Credit Union. Loans may also be made to other Credit Unions.

Even though the overwhelming majority of Credit Union officials have had no previous training in the field of finance, losses on loans to members are unusually low. In fact, losses nationally are less than twenty-five cents on each one hundred dollars loaned.

Does an Employee Credit Union Help an Employer

The employee Credit Union is recognized by employers generally as a means of creating an atmosphere of brotherhood and friendship between ones and management. The Credit Union is also a means of developing leadership and character by providing employees with an outlet for otherwise hidden capabilities. In fact, many Credit Union officials have become extremely proficient in financial administration because of the training they received in credit union management.

Credit Unions serve employers in other ways, such as taking care of employee credit problems thereby relieving the personnel department of the extremely onerous and usually expensive task of trying to require loan credit references and for loan payments. A Credit Union will eliminate these expensive annoyances and build better employer relations.

Training in Credit Union Management

The Credit Unions have recognized the need for management training programs; consequently, there has been integration in many of our schools of higher learning courses in Credit Unions and their philosophy.

In Philadelphia, a credit union course is presently being conducted in St. John's Evening School for Adults, 13th Street above Chestnut Street. This course is absolutely free.

Credit Unions Stimulate Purchasing Power

A Credit Union will enhance tremendously the purchasing power of your employees. An "investment" in purchasing power is a REAL INVESTMENT IN AMERICA!

Philadelphia Chapter of Credit Unions

157 North 15th Street, Philadelphia, Penna.

JAMES J. GIRVAN, President

WILLIAM M. NOBLE, Secretary
ARTHUR MARRION, Treasurer

J. H. HARRIS, Treasurer
PAUL ALLEN, Corresponding Secretary

Approved from Chamber of Commerce News of Greater Philadelphia

PHILADELPHIA CHAPTER

Advertises in Chamber of Commerce News

THE PHILADELPHIA CHAPTER OF CREDIT UNIONS wanted to tell management about the advantages of credit unions, and the numerous ways they help the company and the employees. Also the chapter desired to answer some unfavorable letters sent to some employers.

The chapter decided to carry a page advertisement in the Chamber of Commerce News of Greater Philadelphia.

James Girvan, chapter president writes:

"The Chamber people tell us that this is the first time in their history that they have received requests for information on an advertisement. They are very happy about it, and of course so are we.

"During the past six weeks we have received numerous requests for additional copies of our chapter article 'Credit Unions, 12 Answers Every Employer Should Know About Them.'

"These requests are coming from chapters, leagues and from men in industry. Frankly, I am surprised by the wide circulation we received.

"Today we received a letter from an oil company in Texas."

British Honduras Prison Officers

Helped By Father Ganey Blueprint

WHEN Mr. E. C. King took up his appointment as superintendent of Prisons in British Honduras in April, 1952, there were thirty prison officers on the subordinate staff. These officers earned salaries ranging from \$70 to \$145 a month — the only forces and resources at their command (besides faith) for combatting the high cost of living and the effects of devaluation which had left a trail of lingering sorrow.

For months loan sharks bombarded the superintendent with woeful reports of bad business with prison employees, and soon court judgments were piling up — a state of affairs very much against Civil Service Regulations. Something had to be done and quickly too, to stop the high incidence of bad debts and to relieve the tensions of over anxious prison officers.

In September, 1953 the superintendent called a meeting of all his officers to explain to them their position which had been rendered precarious in the face of Civil Service rules and regulations; but he finished off this warning by suggesting a positive approach to this problem in the formation of a credit union. The idea was well received, by the officers who talked about it, discussed it, and finally left the meeting determined to explore its possibilities. "Where do we go next?" seemed to be written on the faces of them all. The obvious answer seemed to be, "To Father Marion Ganey, S. J., the last word on co-operatives and credit unions in British Honduras". With this inspiration the men left it to their superintendent to see Father Ganey. An interview with this busy Jesuit padre started things rolling. Then a survey of the debts of all the officers brought the bewildering total of over \$3000, of which \$1844 was pressing.

Father Ganey soon turned up with a blue print of a solution to this heart-thumping financial problem. With facts and figures, diagrams, board and chalk, Father was able to impress and convince the men by the following proposals:

(a) Make up your minds to sacrifice, retract and contract;

(b) Form a co-operative group of not less than twenty;

(c) Borrow about \$1500 and clear up pressing debts;

(d) Pledge to pay weekly without fail \$1.80 in savings, and \$1.50 towards repayment of loans;

(e) Small interim loans could be made from accumulated weekly savings which should total \$1872 in one year.

"How attractive! But give us a few days to think it over," was the unanimous decision.

On October 22nd we met and decided to accept the plan. We formed ourselves into a co-operative savings group called THE PRISON OFFICERS SAVINGS SOCIETY. It was further decided that the superintendent should ask government to lend the society \$1500, the total of the Prison Officers Reward Fund, to be repaid within one year.

On the next payday, October 29th, 1953, the first savings started to roll in, while Government considered our applications for the loan. By then Father Ganey had "taken wings" on credit union missions to the Fiji Islands in the Pacific. In a letter dated November 5th, Father had sent his good wishes and God's blessing.

God helps those who help themselves, and even those who try to help themselves; for on November

19th we received the good news that Government in its generosity not only loaned us the \$1500 from the Prison Officers Reward Fund, but loaned us an additional \$1500 from revenue, with interest as low as three and two percent respectively.

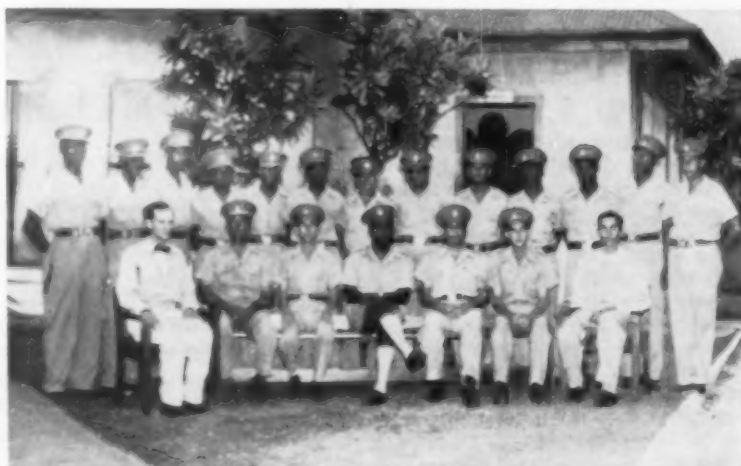
And so we were off to a flying start on a plan that was to be operated on credit union lines until all debts were repaid.

The committee set to work with a bank check book, and with confidence and hope to appease the angry loan sharks, but never hoped to put them to sleep. For eighteen months the committee juggled every pay day with loan applications and with limited takings. Without any intention of blasphemy they tried to "Feed the five thousand with four loaves and five fishes." What an attempt! What an adventure!

December, 1954 found us owing only \$625 of our \$3000 loan. So, early in 1955, we embarked on an educational program to prepare for the launching of our credit union in April. We summoned the help of the cooperative department who responded promptly and faithfully.

At a meeting on 6th April, 1955, the Prison Officers Savings Society decided to become a credit union. A financial report showed that our share capital subscribed from October, 1953 to March, 1955 was \$3595; all our loans from Government had been repaid; Undivided earnings amounted to \$454.87; 178 loans had been made to members, totalling \$7586.

Operating on the same working plan we have now joined the Great Fraternity — we are now THE PRISON OFFICERS CREDIT UNION.



Board of Directors of Prison Officers Credit Union, Ltd., and representatives of supervisory agency.



You mean I should
cover 100 percent
of my assets?

YES, sir, the credit union that does not take out the 100 percent million-dollar maximum bond program is not providing its members with the full degree of security they deserve.

The safety of your members' savings must be your credit union's first concern. It comes ahead — way ahead — of dividends, steady performance or even rapid growth.

Take a look at the 100 Percent Blanket Bond No. 576, which covers all your assets up to \$1,000,000.



Wait a minute, bud,
we're all honest
around here!

That's not the point at all. You don't take out a bond because you think somebody's dishonest. You take it the way you take any kind of insurance, as a common-sense safety precaution against disaster.

The 100 Percent Blanket Bond No. 576 program protects your credit union against: 1. dishonest acts of officers and employees; 2. burglary and theft; 3. forgery and alteration; 4. embezzlement and nervousness disappearance; 5. fire damage to money and securities; 6. vandalism and malicious mischief. A faithful performance policy is also included.



I refuse to think
ill of our dedi-
cated Treasurer,
Joe Blow!

Nobody asked you to. But you ought to realize this. The loss record of credit unions has been increasingly bad in the last year. Study of the defalcations reported shows that most of them occurred because directors and committee members weren't doing their job, and were leaving everything to the treasurer.

Even a good man, when placed under strong temptation and left unsupervised, will sometimes give way. As a matter of fact, most embezzlers are the kind of people everybody likes and trusts. They have to be or they'd never be placed in a spot to embezzle.



Oh, let's talk about
Burglary,
or something!

Sure, burglary is a real risk. So are forgery, fire, mysterious disappearance and vandalism.

Many credit unions haven't given enough thought to the burglary hazard, although one league reported 8 burglaries in a month not long ago. Some are not getting their funds into the bank within 24 hours, although this is the principle on which our burglary rates are based. Some, too, are withdrawing huge sums for cashing pay checks without adequate safeguards.

The point of the Blanket Bond is that it gives you the broadest possible protection against the major risks that you have to weigh about. No other bond offers so much.

CURIOSITY ABOUT LOAN REPAYMENTS Reveals A Defalcation

Audit of Cancelled Checks Could Have Uncovered
Irregularities Much Earlier

by Arvin Hepler

IN FEBRUARY 1953 a credit union treasurer noted that no payments had been received on many loans made during the previous October. Further checking revealed a defalcation of over \$30,000.

The individual involved in this claim was a 36 year old woman, employed by the credit union as book-keeper-cashier. This employee appropriated credit union funds for her own use on two different occasions in 1951, and frequently during the later part of 1952 and early 1953.

A spot check and verification of borrowers' accounts in September 1952 revealed nothing. In December of 1952 the credit union employee involved selected an accountant she knew to handle the credit union audit. She invited him to her home and showed him just the credit union records she wanted him to see. He did report the double entry set of credit union books were neat and clean. The auditor failed to note a great number of checks in one month for which no payments had been entered in the books. The cashier would issue a check to a fictitious individual, use a rubber stamp

with only the credit union name for endorsement. The check would then replace cash, removed from the cash box. The name of the fictitious loan would be entered in the loan ledger giving him a \$5 share and credit for having paid the entrance fee. These fictitious checks were taken to the bank and deposited to the credit union account. Payments on the fictitious loans were made including interest by writing fictitious checks in the same manner to obtain necessary funds for payments.

The following points in this case should be remembered when considering this fidelity bond loss:

1. The two officers responsible for signing the credit union checks were not always available for check signatures. They followed a practice of signing a number of blank checks in advance making it possible for the cashier to issue checks payable to fictitious individuals whenever she desired to do so.

2. The importance of complete verification of account balances, loans as well as shares.

3. If the services of an outside auditing firm are to be used, a reputable auditor, independent of the



I think I
get the idea
is this
what you mean?

WHAT DO 100 PERCENT? By 100 percent we mean all the assets of the credit union up to a million dollars, whether or not they have been honestly reported. No doubt you understand that when a treasurer or other officer is stealing systematically, he probably also is falsifying the financial statement.

This new Baby Bonding Leaflet (Form B-3 (55)) explaining the 100 per cent Blanket Bond No. 576 is now available from league offices and the CUNA Bonding Service, Madison, Wisconsin or Hamilton, Ontario.

credit union operations, should be employed by the credit union board of directors or supervisory committee. The audit report should be thoroughly reviewed and discussed by the board and committee, carefully rating recommendations and originating proper action deemed necessary.

4. Constant study and review of reports of the credit union's financial condition and movement will aid materially in detecting faulty operating practices before a major loss occurs.

Your Family, Yourself, Your Car

By Stanley Harris



DURING AUGUST and ending with the Labor Day weekend, we are going into a tremendous peak period of auto travel. In most instances this will also mean family travel.

It would seem reasonable, of course, that the same careful planning given to the average vacation trip would also extend to the matter of automobile insurance protection for your family, yourself, and your car.

To those credit union members who are insured through the CUNA Auto Insurance Program we suggest reviewing your coverage with your Insurance Advisor who will be happy to offer helpful guidance at all times concerning your insurance needs. Anyone planning travel in Mexico however should certainly consult his advisor or agent about special insuring conditions necessary there before entering that country.

The CUNA Auto Insurance Program, underwritten by Employers Mutuals, offers nationwide claims service through trained company adjusters.

Again this year, to assist you in making an inventory of your automobile insurance needs, we are listing a brief description of the basic coverages.

... **BODILY INJURIES LIABILITY** protects against claims against you for bodily injuries to—or death of—other persons.

... **PROPERTY DAMAGE LIABILITY** protects against claims against you for damage to property of others.

... **MEDICAL PAYMENTS INSURANCE** covers medical, hospital and similar expenses, resulting from accident, regardless of negligence or liability, for yourself, your family and guests in your car or another car you are driving.

Now available in most states, as a supplement to your basic medical payments, are extended medical payments benefits.

... **EXTENDED MEDICAL PAYMENTS** covers medical, hospital and similar expenses, resulting from accident, regardless of negligence or liability, for you and your wife or husband—and relatives of either of you living in your household—while passengers in any automobile, bus or taxi, or while a pedestrian and struck by any automobile.

... **COMPREHENSIVE PHYSICAL DAMAGE INSURANCE** pays for accidental loss to, or damage of, your car in cases other than collision or up-set. This includes glass breakage, loss due to falling objects or missiles, fire, theft, explosion, earthquake, windstorm, water damage, vandalism or riot.

... **COLLISION AND UPSET** covers your car in case it is damaged in a collision with another car or object, or is accidentally upset.

REMEMBER just one thing more. **ADEQUATE PROTECTION COSTS LITTLE MORE THAN DOUBTFUL PROTECTION.** It's been well said that **INSURANCE** is an investment in "Peace of

mind". We buy financial protection against certain hazards, any one of which could happen to us.

A Community Service

HE WAS NOT a credit union member. He explained that he had come to the credit union office at the suggestion of a local bank. He did not know what the credit union was. He lived in a house trailer and had several children. His wife was just out of the hospital where the bill had been more than he had expected, and he needed \$25 until pay day for groceries.

He was asked to have a seat in the treasurer's office, and C. F. Poole spent 30 minutes explaining the credit union movement and the workings of the Sterling Community Federal Credit Union.

Then they started working on the loan application. The man did not have \$5 for a share, nor even 25¢ for an entrance fee. They made the note out for \$30.25 to include the share and the entrance fee, and made out a check for \$25.

A week later, the man returned to pay off his loan. The interest came to 7¢. The man thought this an absurdly small charge and wanted the credit union to take a full dollar for interest which, of course was refused. The new member expressed his amazement and gratitude.

We are not surprised that the Sterling Community Federal Credit Union granted this particular loan. We are not surprised that the borrower repaid it promptly and with appreciation.

We are impressed, and very favorably, that the treasurer of a million-dollar credit union would spend 30 minutes in explaining the credit union movement to a penniless applicant for a \$25 loan. But this is a routine procedure in this credit union. Whenever it is at all possible, the treasurer likes to take time—about 30 minutes—to give each new member a clear and complete picture of what the credit union is and how it works.

It's obvious that Charlie is developing better credit union members. Among other results, he is doing much to lick the bad loan problem right at the source.

As members acquire full understanding of the credit union, and appreciation of it, they develop a sense of loyalty and responsibility toward it. Good members, who are conscious that they are *members* and not customers, never willingly let their loans go bad.

—from Colorado Credit Union League Newsletter.

Harry Lorr Tells How He Organized A Credit Union

I became interested in starting the credit union due to inquiries made by members of the police department who inquired about loan interest rates on insurance benefits.

I contacted the men who made the inquiry and asked if they were interested in starting their own credit union.

After getting approval of these men, I then contacted their superiors who in turn were in agreement and then set up a meeting date for the league representative and myself. I made use of information from my insurance hand book, the Kansas Credit Union League, and also a great amount of information from the credit union league dinners.



MR. FRANCIS H. SCHNEIDER, Treasurer-Manager of Pontiac Motor Federal Credit Union.

TWO NATIONAL ACCOUNTING MACHINES easily handle 9,400 accounts at Pontiac Motor Federal Credit Union and provide accurate, up-to-date records.

**"Our *National* System
saves us \$5,800 a year...
returns 65% annually on our investment!"**

— Pontiac Motor Federal Credit Union, Pontiac, Mich.

"Our National System soon proved that we had made the right choice," writes Mr. Francis H. Schneider, manager of a busy Michigan Credit Union. "In comparison with our former methods our records are now always up-to-date and accurate.

"Further, our National System has permitted us to establish daily sub-controls which provide the opportunity of staggering the balancing of subsidiary records during the month. This has eliminated the need to run tapes on our 9,400 accounts in one day at the end of each month. Since

installing a National System we have been able to run a trial balance on our general ledger and prepare a financial statement by noon on the first business day of each month.

"Our two Nationals save us \$5,800 a year through reduced overtime and personnel expenses in addition to providing neater, more accurate records. Naturally, we feel that our National System is an excellent investment."

This Credit Union Manager soon learned what a National System could do for his operation. Nationals can

give you these same benefits and many others while paying for themselves out of the money they save.

Call your nearby National representative and he will gladly show you how to achieve these results. His number is listed in the yellow pages of your phone book.

THE NATIONAL CASH REGISTER COMPANY, Dayton 9, Ohio

977 OFFICES IN 94 COUNTRIES

August, 1955

Thursday, October 20, is INTERNATIONAL CREDIT UNION DAY!



Organization Dips As Mercury Rises

161 Credit Unions For June

by W. B. Tenney



THE MONTH OF JUNE showed a marked drop in the organization of new credit unions. One hundred and sixty-one credit unions were organized. The Southern District is the only area which is ahead of its last fiscal year production. California zoomed forward for the month's lead with 23 credit unions which was eight above the number organized in June of 1954. In the second and third positions were Texas with 12 and Ontario with 11.

Three states fell by the wayside as junior members of the One-or-more-each-month club. Maine, Oklahoma, and South Carolina are no longer in the running. Alabama, Arizona, Colorado, Connecticut, Georgia, Indiana, Iowa, Kansas, Kentucky, Louisiana, New Jersey, Oregon, Tennessee, Washington, Wisconsin, Hawaii, Puerto Rico, British Columbia, and Quebec are still in the running for senior membership.

Membership in the senior club remained the same with each of the members adding to their increasing total. (California, Ohio, Texas, Illinois, Michigan, Florida, Missouri, Ontario, Pennsylvania and New York.)

nois, Michigan, Florida, Missouri, Ontario, Pennsylvania and New York.)

Volunteer Organization

One new name was added to the Volunteer Organizers reporting in the 1955 contest. A total of 11 credit unions have been reported by this group as of the close of June. It is never too late to get started in the contest and we are hoping to see several more names added to this list of credit union doers.

Founders Club

New Members

SINCE OUR LAST REPORT the following new members have been admitted to the Founders Club:

- Mr. Grover G. Miller, OMCO Credit Union, Davenport, Iowa.
- Mr. William F. Gardner, Pittsburgh Coke & Chemical Employees Federal Credit Union, Pittsburgh, Pennsylvania.
- Mrs. Margaret M. Reed, Oregon Central Credit Union, Portland, Oregon.
- Mrs. Gliva Steward, Clerks 201 Federal Credit Union, Eugene, Oregon.
- Mr. Ray Condit, Southern Oregon Lumber Workers Federal Credit Union, Grants Pass, Oregon.
- Mr. Paul F. McGinty, Farmer's Dairy Federal Credit Union, Portland, Oregon.
- Mr. Laurence Cockburn, Nathan (Toronto) Credit Union, Toronto, Ontario.
- Mr. Henry Holt, Toof Employees Federal Credit Union, Memphis, Tennessee.
- Mr. W. B. Williams, Nashville Teachers Credit Union, Nashville, Tennessee.
- Mr. W. W. Priestley, Hecht's Employees Federal Credit Union, Bristol, Tennessee.
- Mr. Lewis Yeaman, Weaver Employees Credit Union, Springfield, Illinois.
- Mr. Morgan Sweeney, Public Service Employees Newark Federal Credit Union, Verona, New Jersey.
- Mr. Werner Helstrom, Public Service Employees Newark Federal Credit Union, Verona, New Jersey.

Contest Rules

ENTER THE CONTEST RIGHT NOW—TODAY! Follow these simple rules:

1—Send a letter or postcard to T. W. Doig, Managing Director, Credit Union National Association, Post Office Box 431, Madison 1, Wisconsin, stating your desire to enter the contest, and listing any credit unions you have organized since March 1, 1955.

2—Soon after the organization of each additional credit union, advise Mr. Doig of that fact by letter or postcard.

3—On or before March 31, 1956, send Mr. Doig a complete list of the credit unions you have organized during the contest period. With your letter of entry, ask for the free Volunteer Organizers Kit.

The contest runs from March 1, 1955 through February 29, 1956. Every contestant who organizes one or more credit unions will receive a gift copy of "Liberal's Progress", the biography of Edward A. Filene, written by Gerald W. Johnson. In the event a contestant has previously been awarded one of these books, he will be given a choice of the following books—"Crusade", by R. F. Berggren; "The Poor Man's Prayer", by George Boyle; or "Credit for the Millions", by Richard Giles. Contestants who organize five or more, other than the winner of first place, will receive an award of \$50.00. The contestant who organizes the greatest number of credit unions will have a choice between:

1—A check for \$100, or registration fees (value \$120) paid to attend the 1956 two weeks School for Credit Union Personnel at the University of Wisconsin in Madison; or a Lord or Lady Elgin wristwatch suitably engraved.

2—Expenses to attend the CUNA Annual Meeting in Milwaukee, Wisconsin, in May, 1956, or expenses to attend the School for Credit Union Personnel, 1956 session.

In event of a tie for first place, each contestant so tied will receive the No. 1 award, but the contestants so tied will be rated according to the following categories in regard to No. 2: (1) Number of league members among the credit unions organized (2) Number of CUNA Mutual Loan Protection contracts among the credit unions organized (3) Number of CUNA Mutual Life Savings contracts among the credit unions organized (4) Number of CREDIT UNION BRIDGE subscriptions among the credit unions organized. If contestants remain tied all through the above categories, then each would receive the complete award.

STATISTICAL REPORT

AS OF JUNE 30, 1955

District Standings				
District	'55	'54	Fiscal	Fiscal
	June	June	Year	Year
Southern	30	35	178	160
Western	40	33	143	150
Central	27	26	136	150
Midwestern	6	18	41	56
Eastern	16	32	110	127
Canadian	25	34	108	133
Northeastern	17	24	61	104

League Standings				
SOUTHERN DISTRICT				
Henry Claywell, Florida, O & E Committee Member				
Puerto Rico	3	2	29	2
Texas	12	9	43	42
Alabama	3	1	12	8
Louisiana	2	6	15	11
Oklahoma	0	0	7	3
Georgia	1	1	13	10
Dominican				
Republic	0	0	9	7
Kentucky	0	1	6	4
South Carolina	0	1	5	4
Arkansas	0	0	2	3
Tennessee	3	4	10	12
N. Carolina	1	2	2	5
Jamaica	0	0	2	7

Mississippi	1	2	2	7
Florida	4	6	11	35
B. South America	0	0	0	0
Canal Zone	0	0	0	0
Dominica	0	0	0	0
Virgin Islands	0	0	0	0
British Honduras	0	0	0	0

WESTERN DISTRICT				
W. G. Lenegran, Washington, O & E Committee Member				
Hawaii	2	0	6	2
Washington	1	1	9	7
Arizona	3	4	11	10
Utah	5	1	5	4
New Mexico	1	2	5	4
Colorado	1	1	11	11
Idaho	0	3	4	5
Nevada	0	1	2	3
Wyoming	0	2	2	3
Alaska	0	0	0	1
California	23	15	71	73
Montana	2	2	7	10
Oregon	2	1	10	16

CENTRAL DISTRICT				
Glen R. Condit, Michigan, O & E Committee Member				
Illinois	10	11	54	45
Michigan	10	12	54	57

Indiana	2	0	14	23
Wisconsin	6	3	14	25
MIDWESTERN DISTRICT				
W. O. Knight, Jr., South Dakota, O & E Committee Chairman				
Kansas	2	3	9	9
Minnesota	0	3	9	10
Missouri	1	6	14	15
S. Dakota	0	2	3	4
Nebraska	1	0	1	2
Iowa	1	4	4	10
N. Dakota	1	0	1	6

EASTERN DISTRICT				
Joseph A. Moore, Pennsylvania, O & E Committee Member				
Virginia	0	6	21	12
Ohio	6	2	33	27
West Virginia	1	0	4	4
Delaware	1	0	1	2
District of Columbia	0	3	3	5
Pennsylvania	4	10	31	34
Maryland	3	4	4	12
New Jersey	1	7	13	31

CANADIAN DISTRICT				
J. L. Thompson, Manitoba, O & E Committee Member				
Alberta	2	2	9	3
British Columbia	4	0	15	10

Nova Scotia	0	0	2	2
Quebec	5	4	17	19
Saskatchewan	0	0	1	3
Prince Edward Island	0	3	0	3
Manitoba	2	6	2	6
Ontario	11	18	62	87
New Brunswick	0	0	0	0
Newfoundland	0	0	0	0
NORTHEASTERN DISTRICT				
L. B. Kilburn, Connecticut, O & E Committee Member				
Vermont	0	0	2	0
N. Hampshire	0	1	3	3
Massachusetts	2	1	12	13
Rhode Island	1	1	2	3
Connecticut	5	2	11	16
Maine	0	4	4	15
New York	9	15	27	54

1955 Volunteer Organizers Contest				
L. P. Davis, Tex.				3
James E. Taylor, Mont.				2
Mrs. Lillian Bigman, La.				1
O. F. Burdorf, Tex.				1
O. L. Cannon, Tex.				1
Edward W. Hickey, Md.				1
Hary Karel, Mich.				1
George W. Scott, Ont.				1

THE BURROUGHS SENSIMATIC

is faster by far for Credit Union accounting...

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EASIER
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APPROVED
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save time and money for your credit union

Here's a machine—the Burroughs Sensimatic accounting machine—that saves big chunks of your two most important assets: *time* and *money*.

The Burroughs Sensimatic handles all your accounting jobs—posts share and loan ledgers with either passbook or statement . . . automatically calculates and posts paid-in shares . . . automatically computes share months for dividend calculations. What's more, a simple key flick converts it to a convenient adding-subtracting machine for miscellaneous jobs.

With all this, you can see how the Sensimatic is easily the most versatile accounting machine on the market. Faster, too—yet so simple to use that even beginners quickly become expert.

All by itself, the Sensimatic is a sound investment. And when you combine it with a *system* designed by Burroughs, you get the best there is in fast, low-cost Credit Union accounting. Specially designed for credit unions, these systems have approval of both the Bureau of Federal Credit Unions and the Credit Union National Association.

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Please send me a copy of the booklet "For the First Time—Low-Cost Speed and Efficiency in Credit Union Accounting."

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ADDRESS _____

CITY _____ ZONE _____ STATE _____

TITLE _____ CREDIT UNION _____

CU-58



how about rushing the calendar?

More credit unions than ever before will be ordering CUNA Pocket Calendars this year! Right now is the time to get ahead of the crowd. Place your order now for 1956 calendars — get your imprint and copy details settled — and avoid all rush-season delays at the last minute.

NEW DESIGN

Attractive new design, with 2-color illustration on back. Printed on tough, non-tearing playing card stock:

ONLY **'125** PER 100
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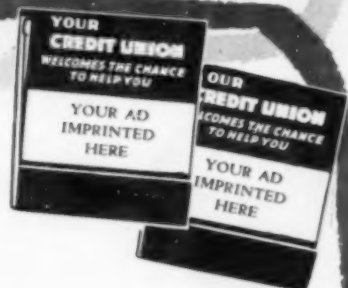
100	250	500	1000	5000
\$2.50	\$3.00	\$3.65	\$4.90	\$14.70

CUNA Pocket Calendars are the most popular "give-away" ever introduced to the credit union movement. They are timely, useful, effective — the one kind of advertising your members will carry all year long!

Samples mailed on request.

got enough matches?

Promote your credit union through vending machines, plant cafeterias, and neighborhood stores as well as across the counter! Each book tells your story 20 times! Delivery 60 to 90 days. Prices include imprinting on red, white, and blue cover. Minimum order, 2500.



INSIDE PRINTING

You can have your own choice of copy printed inside! Added cost is only 60¢ per 1000 for orders from 2500 to 50,000!

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2,500	\$ 8.15 PER 1000 NET
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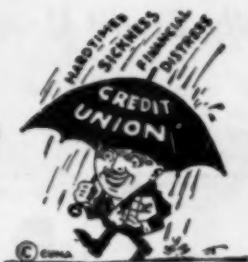
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NAME

CREDIT UNION

ADDRESS

FAMILY DIGEST



Volume 20

P. O. Box 431, Madison 1, Wisconsin; P. O. Box 65, Hamilton, Ontario

Number 6

Credit Buying Costs Money

FOR EVERY \$100 worth of credit sales patrons are losing almost \$2 according to a co-op business study by Arvid C. Knudtson and E. Fred Koller at the University of Minnesota.

Credit unions were suggested as one means of better handling credit problems.

Tribute, Reproach, Suspicion!

"Youngster," said the old married man to a friend about to be wed, "you will find, as you give things to your wife, that she will go through three stages."

"Really?" rejoined the lovesick swain. "That's very interesting. What are the three stages?"

"At first," came the solemn explanation, "she will say, 'You are the sweetest, most wonderful husband in the world'. Then, before you know, she will accept a gift with, 'Well, it's about time. I thought you'd never get it for me.'"

"And the third stage?" inquired the young man fearfully.

The older man sighed. "Then she'll say softly, and only to herself, 'He gave it to me without a struggle. I wonder what he's up to?'"

—Wall Street Journal.

Health Hint

A LONG REST in bed is not always the best form of recuperation from a serious illness. Doctors have discovered that prolonged inactivity can be damaging both physically and mentally. Depression, weight loss, constipation, muscular wasting, and blood clotting are some of the bad effects which can develop. Of course, after a serious illness, activity must be limited; but a moderate amount of exercise, interspersed with periods of rest, will bring a more complete return to normal.

These Tips Will Help You Save How Much Does Your Auto Really Cost?

HOW MUCH DOES it cost you to own and operate your family automobile?

You're about average if you figure it costs you \$1.65 a day to own your car—and another 3½ cents for each mile you drive it.

That's the estimate of the Minnesota Automobile Association.

The ownership cost is 10 cents a day more than last year. That's because you take more loss on depreciation with the newest cars—higher cost to start with and fast-



er write-down in value each day until you trade it in or sell it.

Here's the way MAA came up with its figures:

Gasoline and oil, each	
mile	2.29 cents
Maintenance74 cents
Tires51 cents
Total operating cost	3.54 cents
Fire and theft	
insurance	\$17.81 year
Property damage and	
liability insurance	86.65
License fees	16.83
Depreciation	477.36
Total ownership cost	\$598.65 year

MAA says the average motorist should add to the ownership cost some 10 to 20 cents a day if he

carries \$100 or \$50 deductible property damage insurance.

You can beat the average costs. Choose the best buy in tires (not always the lowest priced tire to cut tire costs, for example). Buy the proper grade oil where you can trust quality. Good oil cuts repairs.

Shop for insurance. The mutual type generally will save you considerably.

And for that biggest item of fixed cost—depreciation—just use good sense in your original purchase and in how you take care of the car you buy.

You may pay more than average costs if you usually operate on rough roads or if you try to set speed records on the open roads.

Speed boosts operating costs fast. Rough roads will cost you in tires (unless you have service guarantees like some suppliers offer) and in repairs.

Families who use their cars for only city driving also will have to pay more a mile than the average. They have higher fixed costs (insurance rates, for instance, are considerably higher).

City families also get less efficient gasoline use because of start-stop and lots of low-gear driving. A car that gives 18 miles a gallon on open roads will take you only 10 to 12 miles a gallon in the bigger cities.

—Midland Cooperator

A Good Scale

"You can't throw your weight around without the risk of being caught off balance."

—Franklin P. Jones.

Tough jobs are sometimes easier to do than one thinks, and there certainly is less competition for them.—Vogt News.

Be A Good Neighbor!

A GOOD NEIGHBOR is one who does not have to be asked for help when help is needed. She comes to your door at supper time with a steaming bowl or a covered plate and says "I baked too many beans—or too many rolls—and thought maybe you'd take some of them." There's a great lift of the spirit that comes, not from a loaf of bread or a jar of mince-meat, but from having a neighbour who is kind and thoughtful and who likes you enough to offer these little courtesies.

A good neighbour is one who wants to share her good things with those around her.

LET'S SHARE OUR CREDIT UNION

We credit unionists could be better neighbours than we are. We have a "good thing", but we tend too much to keep it to ourselves, like an angler guarding the secret of his favourite trout stream.

Not for the same reasons, of course. We aren't really trying to keep our neighbours out of the credit unions, we just don't think of the neighbourly act of passing the good word along.

We don't have to be organizers to do this. We can bring the matter up in casual chat and explain why we believe in credit unions. It is surprising how many people have false notions of credit unions. There is a lot of straightening out to be done along these lines.

Without being busybodies, we can acquaint our neighbours with the credit union story. The benefits of

credit unions are like happiness—the more we share them the more we have for ourselves.

—Unknown



"Henry's economizing again!"

Plan Now For the Children's Future Education

MOST OF US have children who have just started to school or will shortly start to school. After school then what??? That is the big question, and only time can answer that. But here is something which could be a big help to you and them.

Start a Credit Union Savings Account for them, when they start to school and add a share (\$5) every month, until they graduate from high school (12 years) you will save \$720, the interest (at our present rate of dividends) will add another \$196.60, giving your child a nest egg of \$916.60 to start out in his or her life, or with an estate of \$1,833.20 due to the life saving in-

surance we carry on our members.

To all other employees, this same plan can help you prepare for the future.

—Contributed by Alexandria Postal Credit Union, Alexandria, Virginia.

An Open Letter To All Credit Union Members

(We received this letter from one of our own members with permission to print it here. Member's name withheld on request.)

"To be able to obtain cash in a hurry can mean a great deal. To me it meant making two people very near and dear to me especially happy.

"Last Spring my nine year old son had the opportunity to visit his grandparents who live some 1500 miles away and whom he hadn't seen for two years. This once-in-a-lifetime chance came rather suddenly, and if it hadn't been for the Camco Credit Union, he could never have had such a wonderful and never-to-be-forgotten trip.

"The payments are easy to make and the low rate of interest is something special.

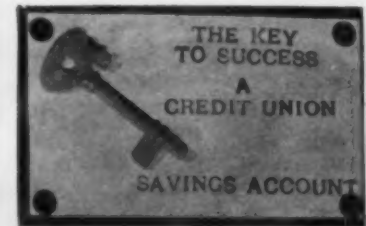
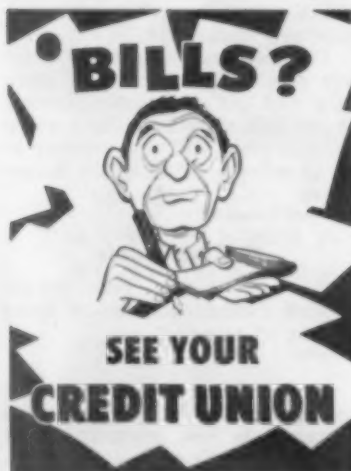
"So why hesitate any longer? If you need cash for something important, go to your credit union."

—Contributed by the Camco Federal Credit Union.

The Burden of Doing Well

"FELLOW CITIZENS, each of you carries on your shoulders not only the burden of doing well for the sake of your country, but the burden of doing well and of seeing that this nation does well for the sake of mankind."

—Theodore Roosevelt





The Way I See It

Correction

TO: THE EDITOR

In the May issue of THE BRIDGE on page 6 you mentioned Kansas as one of the states which does not have an adequate Small Loan Law. At the last Session of the Legislature a Small Loan Law was passed here in Kansas. — *John M. Michener, Kansas Credit Union League.*

What's The Secret?

FROM: THE MARITIME COOPERATOR.

The credit union owes its success to its two fundamental characteristics: firstly, that it is highly democratic in nature; and secondly, that it is profoundly simple in plan.

A credit union can be formed only when a group of people with a common bond of interest—that of surmounting their own financial difficulties—decide to pool all of their financial resources for the purpose of making them available to their individual members at a nominal rate of interest. It is with this single purpose in mind that the organization will function; and the membership will agree to cover the expenses of their pool with the interest, and divide the remainder among themselves for dividends. Such is the democracy incorporated within the framework of the credit union; such is the simplicity of the plan adopted; and such is the real reason for its astounding success in the past one hundred years.

The credit union thus assumes the vital role of abolishing fear from the individual; it bridges the many pitfalls found in our social and economic environment; it replaces insecurity with security; it banishes despair with hope; and it creates an opportunity which never before could be made possible to the individual who dares to risk the prospect of starting out with insufficient financial backing to see him through. The need for one to control his own financial interests, whether borrowed or loaned, is retained with dignity by the individual through the democratic medium of his organization; and thus the dreaded landlord-tenant relationship

passed. Moreover, the credit union democratically and simply, offers a scientific approach to society to free itself of a small part of its many imperfections by giving the individual the right to control his own financial interests by reducing the need of landlord reaction to his personal affairs.

The credit union is not a fundamental change in society; it is merely a democratic means by which the individual can relieve himself of the financial pitfalls which present-day society exposes him to. Being such, it helps to combat misunderstanding and hate by the friendly and confidential pooling of funds to create a ready reservoir of cash for those who require it; it combats superstition and envy by making funds available to the broadest number on a cooperative basis rather than to restrict it to the few; and finally, it opens the

door to savings and credit to all who wish to benefit by it.

Furthermore, the credit union stands as a symbol of inspiration to the victim of misfortune. The horrible consequences to the family of a debtor, in case of death, is minimized through the unique character of a mutual insurance plan. This policy is such that, whether saving or borrowing, the welfare of the bereaved no longer lies prostrate to the will of a shark, but rather becomes lifted and spurred by the challenging theme: "The debt must die with the debtor"; and savings must double their amount without extra cost or physical examination of any member. Here is a service indeed; here we have the sense of real security; the encouragement for improvement; the basis for advancement without fear of unforeseen consequences. The credit union therefore is an invaluable service to man; it is the constant companion to the very foundation of society through its democratic appeal to the humble family.

Be Well Dressed

Remember! You are not fully dressed until you have put on a smile.

—*Duncan News, Alton, Illinois*



Widow Finds Loan Protection Insurance Great Blessing

Oldsmakers' Federal Credit Union Cancels \$1,878.50 Loan Balance Upon Husband's Death
Mrs. Harold Brodberg, mother of five children, was the first person to benefit under the Loan Protection Insurance program adopted by Oldsmakers' Federal Credit Union, Lansing, Michigan, at their annual meeting last January.

Her husband, an Oldsmobile worker, had obtained a loan for a down payment on a farm in 1953 and had kept up payments regularly until he became ill. When Mr. Brodberg died in March of this year, Mrs. Brodberg was unaware of the loan insurance their credit union had taken out on all members, and continued making payments for a few months after her husband's death. All of these extra payments were refunded to her.

In the photo, Treasurer Willis Shaver is handing Mrs. Brodberg the check from the CUNA Mutual Insurance Society which paid the farm loan in full. Vice-President Sam Crawford, left, and President Adolph Miller look on approvingly.

Keeping Posted

on

CUNA Supply Cooperative

WHY DO CREDIT UNIONS subscribe to CUNA Supply's Poster-A-Month service? How do they use it? What results have they been able to obtain with this colorful promotional device whose attractive design varies with each monthly issue?

These were the questions asked in a survey recently conducted by the CUNA Supply Cooperative in order to determine the effectiveness of its poster service and to secure the subscribers' comments, criticisms, and suggestions.

WE COULD NOT AFFORD TO BE WITHOUT THE POSTER-A-MONTH SERVICE writes C. E. Winney, Vice-President of Chase Brass Employees Credit Union, Euclid, Ohio:

"It is a pleasure to furnish you with the reasons why we feel our investment in the Poster-A-Month service provided by CUNA Supply Cooperative is worth while.

"Our credit union started from scratch on June 26, 1952. As our membership grew very rapidly and share business mounted along with the growth, we found it difficult to keep our funds invested in the type of loans we grant, namely Personal, New Car, Used Car, Household Furniture, and Equipment. So it was up to the Educational Committee (of which I am chairman) to promote our loan business.

"As all of our committee were new in this business and anxious to do a commendable job in every way, one of the first things we did was to obtain from another credit union one of your posters. We had two printing companies quote us a price for thirty-two posters (which is the number we receive each month), and the cheapest price we could get was \$290 for one month's supply. We immediately gave you an order for Poster-A-Month service which costs us only \$33 for twelve months. We post thirty-one of these posters on bulletin boards throughout our two mills. One is also posted in our credit union office. This gives us a general and very complete coverage of our entire field of membership.

"An example of an incident that occurred is as follows: In taking the posters from my office to the

Industrial Relations Department (which is from one floor to another in the same building) to be posted on the various boards, as many as five people have remarked upon seeing a particular poster: 'That is what I need'. This remark was in reference to your poster PAM 5/54, which shows a man sitting out on the lawn, holding a cool drink in his hand, and a young boy cutting



the grass with a power lawn mower.

"Many borrowers have told me that they made their first loan because of these posters. I personally feel that they have been the cheapest and best medium of advertising we have obtained so far. They keep our credit union constantly before the eyes of our members, thereby making them credit union conscious, the result being more loans, which, as of right now, are amounting to between \$14,000 and \$25,000 a week.

"At present our total loans amount to 85% of our total assets.

"In closing, I wish to say that we could not afford to be without this service and highly recommend its use to any credit union."

Coming Events

August 11—10:00 A.M.: Joint Meeting: CUNA Executive Committee, CUNA Mutual Board, CUNA Supply Board, Edgewater Hotel, Madison, Wisconsin.

August 12—10:00 A.M.: CUNA Mutual Board.

August 12—2:00 P.M.: CUNA Supply Board.

August 13—10:00 A.M.: CUNA Executive Committee.

September 16-17—Indiana Credit Union League annual meeting, Claypool Hotel, Indianapolis, Indiana.

September 16-17—Wisconsin Credit Union League annual meeting, Eau Claire Hotel, Eau Claire, Wisconsin.

September 23-24—Florida Credit Union League annual meeting, di Lido Hotel, Miami Beach, Florida.

September 24—Maine Credit Union League annual meeting, Calumet Club, West River Road, Augusta, Maine.

November 4-6—California Credit Union League annual meeting, Ambassador Hotel, Los Angeles, California.

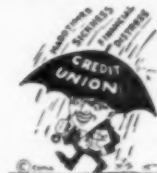
April 13-14-15, 1956—Iowa Credit Union League annual meeting, Black Hawk Hotel, Davenport, Iowa.

A Constructive Step

SOME PEOPLE TALK a lot about credit unions but have never organized one. Organizing a credit union brings a great feeling of satisfaction—a feeling that you have created something that will live through the years and bring a much needed service to people. If you want to do something really constructive, organize a credit union.

—Illinois Credit Union News

Who is This Man??



YOU SEE THIS MAN on most all credit union publications, pass book covers, and other material. He is the trade mark of CUNA, the national association

of all credit unions. But, actually did you ever notice him, or what he is doing?

Let me introduce him to you. He is without a formal name, but he could be you.

He is first a little man, credit unions were conceived by, and for the little man.

His eyes are wide open, he sees the many benefits of his belonging and he is looking to his future.

He is smiling, because he knows that he is covered from financial worries.

He has his right foot forward, going in the right direction for economic security.

He is carrying a package, this was bought by his regular savings, or with the reasonable loan service available to him.

His umbrella is big, big enough to cover about ten million other little men like himself. His umbrella is old enough (107 years) to be proven safe, and it is getting stronger by about 161 new credit unions each month.

—Alexandria Postal Credit Union, Alexandria, Virginia.

Wise Men Say

• True patriotism is not manifested in short, frenzied bursts of emotion. It is the tranquil, steady dedication of a lifetime.—Adlai Stevenson.

• No man knows the value of a dollar who has not suffered from the lack of it.

The Credit Union Bridge



tell your members about these
NEW, BROADER BENEFITS

They apply to most credit union auto policies
 in force, including those previously written!

MEDICAL PAYMENTS: The policy pays medical bills for you, your family, and your guests, when injured in any car you are driving. It also now protects you and your family while riding in any other car, bus, or taxi, or when struck by a car as a pedestrian. (This was an extra before, but is now part of the standard policy.)

NEW CARS: When you replace your car, Bodily Injury Liability, Property Damage Liability and Medical Payments coverages shift automatically to the new car. The company still needs notice on the physical damage coverages, because the rate depends on the age and make of the car.

OTHER BENEFITS: Several important "exclusions" are now removed from the policy:

1. You are now covered for frequent use of any rented automobile.
2. House trailers are now covered by Bodily Injury Liability and Property Damage Liability.
3. Property Damage Liability is now extended to any residence or garage which you rent or is in your charge.
4. Medical Payments are paid even though you are eligible for Workmen's Compensation.

**Details Have Been Sent To
 Insurance Advisors**



**CUNA
 AUTO INSURANCE PROGRAM**

underwritten by
 EMPLOYERS MUTUALS OF WAUSAU

CUNA AUTO INSURANCE PROGRAM

BOX 431, MADISON, WISCONSIN

☐ Send me details on
 how to provide a
 CUNA Auto Insurance
 Program for
 our members.

NAME _____

CREDIT UNION _____

ADDRESS _____

FREE

material explaining Life Savings Insurance to members will promote savings. Available only to credit unions in Life Savings program. Folder is yellow and black, tells main features of Life Savings Insurance. Three-color poster arouses curiosity, stimulates inquiries.



10 WAYS TO PROMOTE THRIFT!

- 1 Life Savings Insurance. Treasurers tell us that this is the most powerful tool for promoting savings that they know. The more you tell your members about it, the more effective it will be. Use the free poster and free folder offered on this page, also word-of-mouth and direct mail.
- 2 Regular advertising. Emergencies will bring you borrowers, but they won't bring you savers. You have to promote saving harder than loans. Encourage members to borrow rather than break up savings. If it is done right, promoting thrift will bring in more members and more loan applications, too.
- 3 Special savings accounts. Christmas clubs, Vacation clubs, Tax savings clubs—these gimmicks will induce some members to save who wouldn't save otherwise. They help establish the saving habit.
- 4 Children's accounts. Besides being a real help to the children, these small savings accounts help create a wholesome family attitude toward thrift. Highly recommended, appealing, easy to promote.
- 5 Savings reward plans. Some credit unions have experimented along these lines. Pontiac Motor Federal Credit Union used a wallet with coin-saver for members who promised to save \$50 a year, got 1,719 new members!
- 6 Encouraging members to save while repaying loans. This wide-spread practice should be standard procedure for most credit unions. It is easy to say to a borrower when discussing payment, "Wouldn't you like to add a dollar to each payment to put into your share account?"
- 7 Payroll deduction. Not all credit unions have it, employers and employees don't always like it—but if you have it and circumstances are favorable, push it hard.
- 8 Tie-in with social security. Your members will appreciate any information you give them on how much social security income they can expect. It will encourage them to plan supplementary savings, might justify setting up a special savings program.
- 9 Tie-in with pension plan. Most company pension plans, even when added to social security, provide a bare minimum of retirement income. Especially where employees make no contribution, they are often glad to get into a supplementary retirement savings program. For certain credit unions, this is a real opportunity.
- 10 Give away dime savers or novelty banks. With your advertising and imprint, these do two jobs at once—promote your credit union and encourage thrift.

CUNA MUTUAL INSURANCE SOCIETY

Madison, Wisconsin or Hamilton, Ontario

Please send us _____ copies of the folder explaining Life Savings Insurance for distribution to our members.

Please send us _____ copies of the poster on Life Savings Insurance.

NAME _____

CREDIT UNION _____

ADDRESS _____

B-55